

CLASSIFICATION: ~~TOP SECRET~~ S :et
DOCUMENT NUMBER: MAVA-9768
DATE: 9 November 1951
SUBJECT: Grubstake
REFERENCE: MAVW-3873
IID: 6-6-1-
TSC: 70181

1. On 5 November 1951 I had a few minutes on the subject matter of reference memorandum with [] who is still one of the busiest and most overworked officials in USCOA. We have mentioned before that he has very little time to follow up anything in a systematic manner and has seen Michael SCHMUTZ only briefly since he became aware of our interest.

2. In reference to the background of [] conversation with SCHMUTZ on Arthur PIER, [] pointed out that PIER was mentioned by Michael SCHMUTZ during a casual statement initiated by SCHMUTZ on FRIEDRICH (fnu), Director of El Al in Vienna, who was described by SCHMUTZ as "Arthur's girl friend." SCHMUTZ went on to say that [] of course, knew Arthur. [] did not know to whom SCHMUTZ was referring as "Arthur," and as a matter of fact had not known PIER during the time PIER was in Austria. However, [] did not wish to indicate ignorance of the topic of conversation and consequently did not ask for Arthur's last name, permitting SCHMUTZ to remain under the impression that Arthur was well known to him.

3. We have asked [] to see SCHMUTZ again and attempt to obtain the further information requested in reference dispatch. However, we are of the opinion that if SCHMUTZ is to be properly exploited, we will be unable to meet the requirements of the situation through [] despite the fact that the latter believes he has SCHMUTZ' full confidence. Sooner or later more closely controlled ZACABAL contact with SCHMUTZ will be necessary. [] is quite positive that SCHMUTZ will be more than willing to cooperate with whomever [] introduces to him. From [] we learn that SCHMUTZ applied under the provisions of DP-48 for a visa to the United States, which was refused. We will continue our checks through CIC and G-2 in order to acquire the necessary biographical data and to prepare a project outline. We hope within the next month or two to be in a position to proceed more rapidly with this operational lead on the Israeli Intelligence Service and on Satellite targets.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3826
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008